

Message Text

PAGE 01 STATE 037862

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FOLLOWING SENT ACTION SECSTATE INFO VIENTIANE FROM MOSCOW 25
FEBRUARY REPEATED

QTE S E C R E T MOSCOW 2717

E. O. 11652: GDS

TAGS: PFOR, EAID, UR, US, LA

SUBJ: AID TO LAOS

REF: STATE 33205 (REPEATING VIENTIANE'S 1119)

1. SUGGESTION THAT WE SEEK TO INVOLVE USSR IN MULTILATERAL
APPROACH TO ECONOMIC AID IN LAOS (REFTEL) HAS MERIT IN OUR VIEW
BUT WE WONDER WHETHER INVITING PEKING'S PARTICIPATION WOULD BE
SUFFICIENT TO ALLAY CHINESE SUSPICIONS. IF IT WERE CONCLUDED
THAT THE ANTICIPATED CHINESE REACTION WOULD NOT BE SEVERE
ENOUGH TO CREATE MAJOR PROBLEMS, WE WOULD ASSESS THE IDEA IN
LIGHT OF THE FOLLOWING CONSIDERATIONS:

2. INDUCING THE USSR TO JOIN IN A MULTILATERAL CONSORTIUM
WOULD BE A STEP FORWARD IN FLESHING OUT THE CONCEPT OF AVOIDING
CONFLICT IN THIRD-COUNTRY AREAS, AND COULD CONCEIVABLY GIVE
LDC'S A GREATER VESTED INTEREST IN DETENTE. OBVIOUSLY, FOR
BOTH OF THESE PURPOSES, A BROAD MULTILATERAL APPROACH WOULD
BE PREFERABLE TO A PURELY U.S.-SOVIET EFFORT, WHICH WOULD
SECRET

PAGE 02 STATE 037862

BE DENOUNCED AS NEW EVIDENCE OF CONDOMINIUM.

3. FROM THE STANDPOINT OF DEVELOPMENT, COORDINATION OF
INPUTS WITH THE SOVIETS MAKES SENSE BUT WOULD PROBABLY BE A

MIXED BLESSING AS THE DIFFERING PROCEDURES OF EACH GOVERNMENT COME TO GRIPS WITH THE SPECIFICS OF LAOS. IF THE TWO COUNTRIES CAN LAUNCH A JOINT SPACE MISSION, HOWEVER, THEY SHOULD BE ABLE TO SURMOUNT BUREAUCRATIC OBSTACLES. CONGRESSIONAL REACTION IS ANOTHER POSSIBLE STUMBLING BLOCK, BUT THIS MIGHT BE MANAGEABLE IF THE DONOR GROUP WERE SUFFICIENTLY DIVERSE.

4. PREVIOUS INTEREST IN DRAWING SOVIETS INTO CONSORTIA HAS FOCUSED ON INDONESIA AND, TO LESSER EXTENT, AFGHANISTAN. IN BOTH CASES, RESCHEDULING FOREIGN DEBT WAS MAJOR ELEMENT IN DONOR OBJECTIVES, AND SOVIET RELUCTANCE TO CAST THEIR LOT WITH THE WEST MAY HAVE BEEN PARTLY DUE TO IMF ALLERGY OR OTHER EMBARRASMENTS OF SOVIET ISOLATION FROM CAPITALIST ECONOMIC INSTITUTIONS. PRESUMABLY THIS INHIBITING FACTOR WOULD BE LESS RELEVANT IN LAOS.

5. THE SOVIETS' ATTITUDE WILL BE DETERMINED LARGELY BY POLITICAL FACTORS. THEY MAY VIEW LAOS AS SOMEWHAT DIFFERENT THAN MANY RECIPIENT COUNTRIES IN THAT IT IS ABOUT TO EMBARK (WE ASSUME) ON A COALITION WITH A COMMUNIST GROUP THAT HAS BEEN IN THE BUSH FOR YEARS. WE ARE UNSURE WHETHER SOVIETS WOULD FEEL AN OBLIGATION TO FUNNEL AID INTO AREAS WHERE IT WOULD PRIMARILY WORK TO PATHET LAO ADVANTAGE, OR WOULD JUDGE ON THE CONTRARY THAT THEIR BEST INTERESTS ARE SERVED BY COOPERATING WITH OTHER COUNTRIES TO STRENGTHEN THE COALITION. THEY EVIDENTLY ATTACH IMPORTANCE TO LAOS AS AN EXAMPLE OF THE FEASIBILITY OF COALITION SOLUTIONS THROUGHOUT INDOCHINA. GIVEN THIS ATTITUDE, THERE IS AN OUTSIDE CHANCE THAT THEY MIGHT BE MORE RECEPTIVE TO THE IDEA OF MULTILATERAL ASSISTANCE THAN IN A CONVENTIONAL SITUATION WHERE COMPETITION FOR POLITICAL INFLUENCE DRIVES THE AID IMPULSE.

6. ON THE NEGATIVE SIDE OF MOSCOW'S LEDGER, HANOI MIGHT WELL REGISTER STRONG OBJECTIONS TO A COMINGLED DEVELOPMENT PROGRAM IN LAOS, AND THIS WOULD PROBABLY BE ENOUGH TO SCARE THE SOVIETS AWAY. MOREOVER, THE OLD-FASHIONED SOVIET APPROACH TO MOST INTERNATIONAL PROBLEMS GENERALLY CONTAINS A BIAS AGAINST MULTI-SECRET

PAGE 03 STATE 037862

LATERAL SOLUTIONS (UNLESS LAUNCHED WITH GREAT FANFARE BY GROMYKO AT THE UNGA). ANTI-HIJACKING AND SUPPRESSION OF NARCOTICS COME TO MIND AS EXAMPLES.

7. WEIGHING THESE CONSIDERATIONS, WE FEEL THERE ARE POSSIBLE BENEFITS FOR U.S.-SOVIET RELATIONS AND FOR THE STABILITY AND PROSPERITY OF LAOS. BUT THE CHINESE ATTITUDE MUST BE VERY CAREFULLY EXAMINED AND THERE IS NO GUARANTEE THAT THE SOVIETS WOULD ACQUIESCE IN A MULTILATERAL ASSISTANCE PROGRAM. SOME INDICATION OF SUPPORT FROM OTHER POTENTIAL DONORS WOULD BE DESIRABLE--PERHAPS ESSENTIAL--BEFORE RAISING THE IDEA WITH THE SOVIETS.
STOESSEL UNQTE

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